

Message Text

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ORIGIN EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 CIAE-00 COME-00 INR-10

LAB-06 NSAE-00 RSC-01 SPC-03 STR-08 TRSE-00 CIEP-02

OMB-01 L-03 (ADP) R

DRAFTED BY EB/FTD:MBSMITH:ADSSENS:KLH

APPROVED BY EB/FTD:HMPHELAN

ARA/GUATEMALA:DCLAIR

COMMERCE:LMOBLEY(INFO)

AGRICULTURE:JSTEVENSON(INFO)

DESIRED DISTRIBUTION

ARA/GUATEMALA, COMMERCE, AGRICULTURE.

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P 201410Z SEP 73

FM SECSTATE WASHDC

TO AMEMBASSY GUATEMALA PRIORITY

C O N F I D E N T I A L STATE 187054

EO: 11652, GDS.

TAGS: ETRD, GT.

SUBJECT: COTTON CONTRACTS

REF: GUATEMALA'S 4518

1. IN VIEW REFTEL, EMBASSY REQUESTED CONVEY AT EARLIEST POSSIBLE MOMENT TO APPROPRIATE GOG OFFICIALS CONCERN WITH WHICH USG WOULD VIEW ATTEMPT OF GOG OR GUATEMALAN PRODUCERS TO BREACH EXISTING COTTON CONTRACTS. WHILE REFTEL INDICATES GOG HAS NOT YET MADE FINAL DECISION ON THESE CONTRACTS, EMBASSY SHOULD STRESS THAT USG EXPECTS FORWARD CONTRACTS TO BE HONORED, THAT SUCH CONTRACTS ARE LEGAL OBLIGATIONS NEGOTIATED IN GOOD FAITH AND THAT MUTUAL TRUST IS ESSENTIAL FOR OPERATION OF COTTON EXPORT TRADE WHICH IT IS CLEARLY IN GUATEMALA'S INTEREST TO PROTECT.

2. FYI JUDGING FROM CONVERSATIONS WITH US FIRMS INVOLVED,
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ANY ATTEMPT TO ILLEGALLY EXPORT THE COTTON COVERED BY

THESE CONTRACTS WOULD BE MET BY BOYCOTT OF MAJOR BUYER
COUNTRIES AND BROKERS, BOTH SHORT AND LONG TERM.
IF "BOLIVIAN" TYPE ACTIONS SPREAD TO OTHER PRODUCERS,
TRADE THAT WE VALUE AT \$500-600 MILLION ANNUALLY COULD BE
SERIOUSLY ENDANGERED. END FYI. RUSH

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: collinp0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE187054
Document Source: CORE
Document Unique ID: 00
Drafter: MBSMITH:ADSENS:KLH
Enclosure: n/a
Executive Order: GS RUSH
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730921/aaaaapex.tel
Line Count: 66
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: GUATEMALA'S 4518
Review Action: RELEASED, APPROVED
Review Authority: collinp0
Review Comment: n/a
Review Content Flags:
Review Date: 30 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30-Jan-2002 by martinml>; APPROVED <01 MAR 2002 by collinp0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COTTON CONTRACTS
TAGS: ETRD, GT
To: GUATEMALA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005